

*This Agenda contains a brief general description of each item to be considered. Copies of the Staff reports or other written documentation relating to each item of business referred to on the Agenda are on file in the Office of the City Clerk and are available for public inspection. Any person who has a question concerning any of the agenda items may call the City Manager at (310) 603-0220, ext. 200.*

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY**  
**TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY**

**A G E N D A**

**REGULAR MEETING  
DECEMBER 18, 2012  
3:00 P.M.**

**COUNCIL CHAMBERS  
LYNWOOD CITY HALL  
11330 BULLIS ROAD, LYNWOOD, CA 90262**

**LUIS VALENZUELA**  
CHAIR

**DR. KEITH CURRY**  
VICE CHAIR

**MICHELLE BANKS-ORDONE**  
BOARD MEMBER

**MALCOLM BENNETT**  
BOARD MEMBER

**BRUNO NAULLS**  
BOARD MEMBER

**SARAH MAGANA WITHERS**  
BOARD MEMBER

**PETER WONG**  
BOARD MEMBER

**OPENING CEREMONIES**

1. CALL TO ORDER
2. CERTIFICATION OF AGENDA POSTING BY CITY CLERK
3. ROLL CALL OF BOARD MEMBERS

Michelle Banks-Ordone  
Malcolm Bennett  
Bruno Naulls  
Sarah Magana Withers  
Peter Wong  
Dr. Keith Curry  
Luis Valenzuela

4. PLEDGE OF ALLEGIANCE

Duly Posted  
**RECEIVED**

DEC 13 2012

CITY OF LYNWOOD  
CITY CLERKS OFFICE

Maria Quinonez  
City Clerk by CR

**PUBLIC ORAL COMMUNICATIONS**  
(Regarding Agenda Items Only)

**NEW BUSINESS**

- 5 MINUTES OF PREVIOUS MEETINGS:  
Special Meeting – October 9, 2012  
Regular Meeting – October 16, 2012

6. APPROVAL OF DUE DILIGENCE REVIEW RPORT #2

Comments:

Pursuant to California Health and Safety Section 34179.6(b), upon receipt of the Due Diligence review required to be prepared for All Other Funds ("Due Diligence Review Report") under Section 34179.5, the Oversight Board is required to convene a public comment session on the review at least five business days before the Oversight Board holds an approval vote on the review.

Recommendation:

Staff recommends that the Honorable Chair and Members of the Oversight Board approve the Due Diligence Review Report #2 – All Other Funds.

**OVERSIGHT BOARD ITEMS**

NONE

**ADJOURNMENT**

THE NEXT REGULAR OVERSIGHT BOARD MEETING WILL BE POSTED AS NEEDED. THE NEXT MEETING WILL BE HELD IN THE COUNCIL CHAMBERS OF CITY HALL, 11330 BULLIS ROAD, CITY OF LYNWOOD, CALIFORNIA

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY**

**MINUTES**

**SPECIAL MEETING  
TUESDAY, OCTOBER 9, 2012  
3:00 P.M.**

**COUNCIL CHAMBERS  
LYNWOOD CITY HALL  
11330 BULLIS ROAD, LYNWOOD, CA 90262**

**1. CALL TO ORDER**

The meeting was called to order at 3:00 p.m.

**2. CERTIFICATION OF AGENDA POSTING BY CITY CLERK**

Rhonda Rangel, Secretary, confirmed that the Agenda was posted correctly.

**3. ROLL CALL OF BOARD MEMBERS**

Rhonda Rangel, Secretary, called the roll.

**Board Members Present**

Chair Luis C. Valenzuela  
Vice Chair Dr. Keith Curry (arrived at 3:13 p.m.)  
Board Member Malcolm Bennett  
Board Member Bruno Naulls  
Board Member Sarah Magana Withers  
Board Member Peter Wong  
Board Member Michelle Banks-Ordone

**4. PLEDGE OF ALLEGIANCE**

Chair Valenzuela led the Pledge of Allegiance

**5. PRESENTATIONS**

There were none.

**PUBLIC ORAL COMMUNICATIONS**

There were no public comments.



## **NEW BUSINESS**

### **6. MINUTES OF PREVIOUS MEETINGS:**

Regular Meeting- August 21, 2012  
Special Meeting-August 28, 2012

**On motion of Board Member Bennett, seconded by Chair Valenzuela, duly carried by the following vote, the Board approved the Regular Meeting minutes of August 21, 2012 and the Special Meeting minutes of August 28, 2012:**

**AYES:** Board Members Bennett, Wong, Withers, Naulls, Vice Chair Curry and Chair Valenzuela  
**NOES:** None  
**ABSTENTIONS:** Board Member Banks-Ordone

### **7. PUBLIC COMMENT SESSION ON DUE DILIGENCE REVIEW REPORT #1- LOW AND MODERATE INCOME HOUSING FUND**

Lorry Hempe, Public Works Special Projects Manager, provided an overview of the staff report disseminated to the Board including the requirements of the Public Comment Session that must be held for five business days. She added that the Due Diligence Review (DDR) was prepared by Vasquez and Company LLP, and requested the Board to hold a Special Meeting on October 16, 2012 for approval of the DDR.

Fred Galante, City Attorney, stated that the DDR is a review of the former Redevelopment Agency's housing assets and the Board approved DDR must be submitted to the Department of Finance by October 15, 2012. There are no penalties for submitting the DDR past the deadline. However, the Department of Finance requests that a tentative date of submittal be provided to them.

Board Member Banks-Ordone inquired on the methods used to inform the public of the Public Comment Session because there are many non-profit agencies that may want to review the DDR. Mr. Galante stated that Board agendas are posted on the City's website and in City Hall. A copy of the DDR will also be provided to any member of the public that requests it.

Mr. Galante requested that the Board open up the Public Comment Session for five business days, and place the DDR on the agenda for approval at the next Special Meeting to be held on October 16, 2012

**On motion of Chair Valenzuela and by Common Consent, there being no objection, the Board opened up the Public Comment Session.**

No members of the public were present.

**8. RE-ADOPTION OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2013 TO JUNE 30, 2013 (ROPS III)**

Lorry Hempe, Public Works Special Projects Manager, stated that the Department of Finance (DOF) informed the City that there are items listed on ROPS III that they would like to see corrected, clarified, deleted or revised. Ms. Hempe distributed a revised ROPS III for the Board's review. She recommended that the Board approve the corrected ROPS III and authorize staff to submit the revised ROPS III to the DOF, Los Angeles County Auditor-Controller, Los Angeles County Chief Administrative Office, and the State Controller's Office.

Chair Valenzuela requested an overview of each revised line item on the ROPS III. (Board Member Curry arrived at 3:13 p.m.)

Ms. Hempe reviewed the following Line Items on the ROPS III:

Line Item 7-Project Name: 1999 City and Agency Cooperation Agreement, Payee: City of Lynwood

The DOF did note that this item was denied in the previous ROPS. However, there was no appeal process at that time. The DOF advised the City to list the line item again on the ROPS III, with the knowledge that it would be denied in order to request at "Meet and Confer" to argue the validity of the item.

Line Item 13- Project Name: Agreement, Payee: Various Employees

Line Item 13 was lined out on the ROPS III. Although previously approved by the DOF in past ROPS, the City wanted to ensure that there is no double counting of salaries. The salaries of staff are now being distributed under each project

Line 14- Project Name: Agreement, Payee: Various Employees

There is a Memorandum of Understanding (MOU) with Employee Bargaining Units that states that City employees can be compensated for unused sick time. Contrary to what the DOF states, the City believes that this is as recognized obligation and Staff intends to request a "Meet and Confer" for this item.

Line Item 19a-Project Name: Settlement Agreement (Rogel v. LRA), Payee: Various developers, staffing costs, legal and miscellaneous costs

Staff provided additional clarifying information, as requested by the DOF.

Line Item 19b-Project Name: Settlement Agreement (Rogel v. LRA), Payee: LMIHF

Staff provided additional clarifying information, as requested by the DOF.

Line Item 19c-Project Name: Settlement Agreement (Rogel v. LRA), Payee: LMIHF

The item was lined out on the ROPS III.

Line Item 19d-Project Name: Settlement Agreement (Rogel v. LRA), Payee: Counsels for Plaintiffs

Staff provided additional clarifying information, as requested by the DOF.

Line Item 20-Project Name: Settlement Agreement (Rogel v. LRA), Payee: Glen Campora, other consultants

Staff provided additional clarifying information, as requested by the DOF.

Line Item 21-Project Name Settlement Agreement (Rogel v. LRA), Payee: Del Richardson and Associates and other relocation consultants

The item was lined out on the ROPS III.

Line Item 22-Project Name: Settlement Agreement (Rogel v. LRA), Payee: Various Claimants

Staff provided additional clarifying information, as requested by the DOF.

Line Item 22a-Project Name: Settlement Agreement (Rogel v. LRA), Payee: Staffing costs, Aleshire & Wynder, MDG, miscellaneous costs, Kane, Ballmer and Berkman

Staff provided additional clarifying information, as requested by the DOF.

Line Item 30: Project Name: Settlement Agreement (Rogel v. LRA), Payee: Kane Ballmer, and Berkman

The item was lined out on the ROPS III.

Line Item 24: Project Name: DDA Park Place, Payee: AMCAL

Staff provided additional clarifying information, as requested by the DOF. However, the DOF was not clear on what additional information they needed. This line item was also previously approved on past ROPS.

Line Item 24a: Project Name- DDA Park Place, Payee: Various vendors, MDG, staffing costs, legal costs, and other miscellaneous expenses

Staff provided additional clarifying information, as requested by the DOF.

Line Item 24b: DDA Park Place, Payee: AMCAL

Staff provided additional clarifying information, as requested by the DOF.

Line Item 25: Project Name: Agreement-CALHome, Payee: HCD

Staff provided additional clarifying information, as requested by the DOF.

Line Item 25a: Project Name Agreement-CALHome, Payee: Staffing Costs

Staff provided additional clarifying information, as requested by the DOF.

Line Item 26: Project Name: DDA Casa Grande, Payee: Casa Grande, Gannett Fleming and other environmental consultants

Staff provided additional clarifying information, as requested by the DOF.

Line Item 26a-Project Name Casa Grande, Payee: Various vendors, staffing costs, legal costs, and other miscellaneous expenses

Staff provided additional clarifying information, as requested by the DOF.

Ms. Hempe added that all of the additional items and information that the DOF requested have been provided by the Successor Agency and they are awaiting a reply.

Board Member Wong requested clarification on Line Item 7: Project Name: 1999 City and Agency Cooperation Agreement, regarding the outstanding debt and the interest rate. Ms. Hempe stated that she will verify the amounts and the interest rates and will provide the information to the Board at a future meeting.

Board Member Bennet requested clarification on why the DOF is challenging Cooperative Agreements. Fred Galante, City Attorney, explained that AB1484 only recognizes city and successor agency agreements that were entered within the first two years of the formation of the former redevelopment agency. He added that there are clauses in California Health and Safety Code, Division 24, Part 1. Community Redevelopment Law, which states it is appropriate to provide loan agreements between cities and redevelopment agencies and that the loans must be repaid.

Board Member Banks-Ordone thanked staff for their preparation of the ROPS III. She also requested clarification on Line Item 24a: Project Name- DDA Park Place, in regards to whether or not the DOF was provided with an itemized breakdown of the payees. Ms. Hempe stated that the Successor Agency does have an itemized breakdown of the salaries, legal fees, etc. which will be provided to the DOF during the "Meet and Confer" process.

**On motion of Board Member Banks-Ordone, seconded by Vice Chair Curry, unanimously carried by the following vote, the Board adopted a Resolution approving a Third Recognized Obligation Payment Schedule covering the Period of January 1, 2013 to June 30, 2013:**

**AYES:** Board Members Banks-Ordone, Bennett, Wong, Withers, Naulls, Vice Chair Curry and Chair Valenzuela  
**NOES:** None  
**ABSTENTIONS:** Board Member Withers on Line Item 49, 13, and 14 as they relate to compensation and Board Member Naulls on any line items relating to salary costs

#### **9. LOS ANGELES COUNTY NOTICE OF OBJECTIONS TO ROPS III**

Lorry Hempe, Public Works Special Projects Manager, provided an overview of a letter that was received from the Los Angeles County Auditor-Controller's office advising the Successor Agency of some objections to items on the January 2013 through June 2013 Recognized Obligation Payment Schedule (ROPS III).

Chair Valenzuela inquired if a response to the letter was sent to the County. Ms. Hempe stated that the Successor Agency is working on a response to advise them that they are in receipt of the letter and although they recognize their objections, they are going to make their case to the Department of Finance.

Fred Galante, City Attorney, added that the County does not have the authority to approve the ROPS and the Successor Agency is not addressing the County's concerns.

**On motion of Chair Valenzuela, and by Common Consent, there being no objection, the Board received and filed the report.**



**OVERSIGHT BOARD ITEMS**

There were none.

**ADJOURNMENT**

**On motion of Chair Valenzuela, and by Common Consent, there being no objection the meeting was adjourned at 3:42 p.m. The next Special Meeting is scheduled for Tuesday, October 16, 2012 a 3:00 p.m. in Council Chambers, 11330 Bullis Road, Lynwood, CA 90262.**



**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY**

# **MINUTES**

**REGULAR MEETING  
TUESDAY, OCTOBER 16, 2012  
3:00 P.M.**

**COUNCIL CHAMBERS  
LYNWOOD CITY HALL  
11330 BULLIS ROAD, LYNWOOD, CA 90262**

**1. CALL TO ORDER**

The meeting was called to order at 3:03 p.m.

**2. CERTIFICATION OF AGENDA POSTING BY CITY CLERK**

Rhonda Rangel, Secretary, confirmed that the Agenda was posted correctly.

**3. ROLL CALL OF BOARD MEMBERS**

**Board Members Present**

Chair Luis C. Valenzuela  
Vice Chair Dr. Keith Curry (arrived at 3:05 p.m.)  
Board Member Michelle Banks-Ordone  
Board Member Bruno Naulls  
Board Member Sarah Magana Withers

**Board Members Absent**

Board Member Malcolm Bennett  
Board Member Peter Wong

**4. PLEDGE OF ALLEGIANCE**

Chair Valenzuela led the Pledge of Allegiance.

**5. PRESENTATIONS**

**PUBLIC ORAL COMMUNICATIONS**

There were no public comments.

## **NEW BUSINESS**

### **6. APPROVAL OF DUE DILIGENCE REVIEW REPORT #1**

Amanda Roberson, Controller/Audit Manager, provided a brief overview of the staff report disseminated to the Board, which included a copy of the Due Diligence Review (DDR). She stated that the Board held the Public Comment Session for 5 business days from October 9, 2012 through October 16, 2012 as required by Health and Safety Section 34179.6(b). Ms. Roberson added that the audit (DDR) determined that there are no monies due to the County.

**On motion of Board Member Ordone, seconded by Vice Chair Curry, unanimously carried (Board Member Bennett and Wong being absent), the Board approved the Due Diligence Review Report #1.**

## **OVERSIGHT BOARD ITEMS**

There were none.

## **ADJOURNMENT**


**On motion of Chair Valenzuela, and by common consent, there being no objection (Board Member Bennett and Wong being absent), the meeting was adjourned at 3:07 p.m.**




# AGENDA STAFF REPORT

DATE: December 18, 2012

TO: Honorable Chair and Members of the Oversight Board

APPROVED BY: Roger L. Haley, City Manager 

PREPARED BY: Amanda Roberson, Controller/Audit Manager 

SUBJECT: Approval of Due Diligence Review Report #2

## Recommendation:

Staff recommends that the Honorable Chair and Members of the Oversight Board approve the Due Diligence Review Report #2 – All Other Funds

## Background:

Pursuant to California Health and Safety Section 34179.6(b), upon receipt of the Due Diligence Review required to be prepared for All Other Funds ("Due Diligence Review Report") under Section 34179.5, the Oversight Board is required to convene a public comment session on the review at least five business days before the Oversight Board holds an approval vote on the review. The review was transmitted to the Oversight Board and posted online on the City's/Successor Agency's Internet web site on December 13, 2012. The review was provided to the Oversight Board on December 13, 2012.

Per the requirements of Health and Safety Section 34179.6(b), the Board should review the Due Diligence Review Report and provide an opportunity for any interested member of the public to make comments regarding the Due Diligence Review Report. The public comment session was from December 13, 2012 through December 18, 2012.

As the public comment session has ended, staff recommends that the Board approve the Due Diligence Review Report.

## Fiscal Impact:

None

Coordinated With:

City Attorney



Community Development  
Finance Department

**Attachments:**

**Agreed-upon Procedures Report Pursuant to Health and Safety Code Sections  
34179.5 and 34179.6 (AB 1484) Prepared by Vasquez and Company**

**Successor Agency to the Dissolved  
Redevelopment Agency of the City of Lynwood  
All Other Funds**

**Agreed-upon Procedures Report  
Pursuant to Health and Safety Code Sections 34179.5 and 34179.6 (AB 1484)**

**Successor Agency to the Dissolved Redevelopment Agency  
of the City of Lynwood  
All Other Funds  
Agreed-upon Procedures Report  
Pursuant to Health and Safety Code Sections 34179.5 and 34179.6 (AB 1484)  
Table of Contents**

---

	<u>PAGE</u>
<b>INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES</b>	<b>1</b>
<b>ATTACHMENTS</b>	
Attachment A Agreed-upon Procedures	2
Attachment B Summary of Results	10
Attachment B-1 Schedule of Assets Transferred to the City of Lynwood	15
Attachment B-2 Schedule of Assets Transferred to Other Public Agencies or Private Parties	18
Attachment B-3 Summary of Financial Transactions	19
Attachment B-4 List of Assets as of June 30, 2012	20
Attachment B-5 Calculation of Legally Restricted Balances - Unspent Bond Proceeds	21
Attachment B-6 List of Assets That are Not Cash and Cash Equivalents	22
Attachment B-7 Calculation of Current Balances Needed to Satisfy Obligations on the ROPS	23
Attachment B-8 Summary of Balances Available for Allocation to Affected Taxing Entities	24



**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**Oversight Board  
Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood  
11330 Bullis Road  
Lynwood, CA 90262**

We have performed the agreed-upon procedures enumerated in Attachment A, which we have been advised were developed by the California Society of Certified Public Accountants and generally agreed to by the California State Controller's Office and Department of Finance, solely to assist you in ensuring that the Successor Agency to the dissolved Redevelopment Agency of the City of Lynwood (Successor Agency) is complying with certain statutory requirements with respect to Health and Safety Code Sections 34179.5 and 34179.6, as they apply to all other funds of the Successor Agency. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures as set forth in Attachment A, as they apply to all other funds of the Successor Agency.

Attachment B identifies the results of the procedures performed.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment B. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency to the dissolved Redevelopment Agency of the City of Lynwood, and applicable State agencies, and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

**Los Angeles, California  
December xx, 2012**

**List of Procedures for Due Diligence Review**

**Citation:**

*34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.*

**Suggested Procedure(s):**

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

**Citation:**

*34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Suggested Procedure(s):**

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Citation:**

*34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Suggested Procedure(s):**

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Citation:**

*34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconcile balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.*

**Attachment A**  
**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Agreed-Upon Procedures**

---

**Suggested Procedure(s):**

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of the Schedule of Financial Transactions for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers account fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the Schedule of Financial Transactions relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the Schedule of Financial Transactions for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

**Citation:**

*34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund and for all other funds and accounts combined shall be made as follows:*

- (A) A statement of the total value of each fund as of June 30, 2012.

**Suggested Procedure(s):**

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

**Citation:**

*34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.*

**Suggested Procedure(s):**

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the

period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

**Citation:**

*34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

**Suggested Procedure(s):**

**7. Perform the following procedures:**

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

**Citation:**

*34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.*

**Suggested Procedure(s):**

**8. Perform the following procedures:**

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (Schedule of Asset Balances) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The Schedule of Asset Balances should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the Schedule of Asset Balances to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedules (ROPS) approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.

- iii. For the forecasted annual revenues:
  - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
  - i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
  - i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.

**Citation:**

*34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*



**Suggested Procedure(s):**

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

**Citation:**

*34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.*

**Suggested Procedure(s):**

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

**Attachment B**  
**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Summary of Results**

---

The results of the procedures performed, as described in Attachment A, are as follows:

**Citation:**

*34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.*

**Procedure No. 1 Results**

The former Redevelopment Agency established the following new accounting funds in preparation for the transfer of assets from the former Redevelopment Agency to the Successor Agency:

Fund Number	Fund Description
1012	Community Development A
1014	Community Development B
1016	Tax Allocation Bond Reserve 1999
1017	Community Development A Bond Proceeds
1018	1999 Bond Proceeds
1019	Series 2011 A Bond Proceeds
1020	Series 2011 B Bond Proceeds
1021	Redevelopment Obligation Retirement

The total value of assets transferred from the former Redevelopment Agency to the Successor Agency on February 1, 2012, amounted to \$27,374,749 consisting of the following:

Type	Amount
Cash	\$ 5,495,058
Restricted cash	58,082
Cash with fiscal agent	19,578,241
Loans receivable	202,568
Accounts receivable	527
Land held for resale	1,082,893
Due from City of Lynwood	957,380
Total	\$ <u>27,374,749</u>

The above balances were agreed to the Successor Agency's trial balance as of February 1, 2012, without exception.

**Attachment B**  
**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Summary of Results**

---

**Citation:**

*34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Procedure No. 2 Results**

- 2A. Refer to Attachment B-1 for the list of transfers made by the former Redevelopment Agency to the City of Lynwood after January 1, 2011 through January 31, 2012.
- 2B. Refer to Attachment B-1 for the list of transfers made by the Successor Agency to the City of Lynwood after February 1, 2012 through June 30, 2012.
- 2C. Refer to Attachment B-1.

**Citation:**

*34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Procedure No. 3 Results**

- 3A. Refer to Attachment B-2 for the list of transfers made by the former Redevelopment Agency to other public agency or private party from January 1, 2011 through January 31, 2012.
- 3B. The Successor Agency asserted that there were no transfers made to any other public agency or private party for the period from February 1, 2012 through June 30, 2012.
- 3C. Refer to Attachment B-2. All transfers made to other public agency or private party were supported by legal documents that formed the basis for the obligation that required the transfer.

**Citation:**

*34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.*

**Procedure No. 4 Results**

Refer to Attachment B-3.

**Attachment B**  
**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Summary of Results**

---

**Citation:**

*34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund and for all other funds and accounts combined shall be made as follows:*

*(A) Statement of the total value of each fund as of June 30, 2012.*

**Procedure No. 5 Results**

The asset balances in Attachment B-4 were agreed to the trial balance of the remaining funds of the Successor Agency as of June 30, 2012, without exception.

**Citation:**

*34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.*

**Procedure No. 6 Results**

6A.(i) Refer to Attachment B-5 for the computation of unspent bond proceeds as of June 30, 2012.

6A.(ii) The individual components of the calculation of unspent bond proceeds in Attachment B-5 were traced to the general ledger and bond official statements.

6A.(iii) We obtained a copy of the bond official statements which sets forth the restriction on the use of the proceeds.

6B & C. Management of the Successor Agency asserted that the assets of the remaining funds of the Successor Agency as of June 30, 2012 did not include grant proceeds and other restricted assets.

6D. Refer to Attachment B-5

**Citation:**

*34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

**Procedure No. 7 Results**

- 7A Refer to Attachment B-6.
- 7B The assets listed under 7A were traced and agreed to the trial balance of the remaining funds of the of the Successor Agency as of June 30, 2012.
- 7C This procedure is not applicable. We did not note any differences in 7B.
- 7D This procedure is not applicable. The list includes accounts receivable, loans receivable, land held for resale and due from the City of Lynwood. The land held for resale was recorded in the books at acquisition cost.

**Citation:**

*34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.*

**Procedure No. 8 Results**

- 8A. Not applicable. Refer to Procedure 9.
- 8B. Not applicable.
- 8C. Not applicable.
- 8D. Not applicable.

**Citation:**

*34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*

**Procedure No. 9 Results**

Refer to Attachment B-7.

**Citation:**

*34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.*

**Procedure No. 10 Results**

Refer to Attachment B-8.

**Attachment B-1**

**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood  
All Other Funds  
Schedule of Assets Transferred to the City of Lynwood  
From January 1, 2011 through June 30, 2012**

January 1, 2011 through January 31, 2012

Asset Description	Date Transferred	Value/Carrying Amount	Legal Requirements/ Purpose	Comments
Cash	03/31/2011	\$ 398,401	This represents reimbursement to the City of Lynwood for FY 2010-11 administrative costs paid by the City for the administration of the Lynwood Redevelopment Agency.	This transfer is supported by an administrative cost agreement dated April 17, 1984 between the City of Lynwood and the Lynwood Redevelopment Agency .
Cash	03/31/2011	219,682	This represents reimbursement to the City of Lynwood for FY 2010-11 administrative costs paid by the City for the administration of the Lynwood Redevelopment Agency.	This transfer is supported by an administrative cost agreement dated April 17, 1984 between the City of Lynwood and the Lynwood Redevelopment Agency .
Real Property	03/31/2011	1,644,429	This pertains to the transfer of several real properties from the former redevelopment agency to the City of Lynwood per City resolution	The State Controller's Office, in its letter dated April 20, 2012, ordered the reversal of these asset transfers and return of the applicable assets back to the redevelopment agency. These assets were subsequently transferred back to the redevelopment agency by the City.
Cash	06/30/2011	636,063	This represents reimbursement to the City of Lynwood for FY 2010-11 administrative costs paid by the City for the administration of the Lynwood Redevelopment Agency.	This transfer is supported by an administrative cost agreement dated April 17, 1984 between the City of Lynwood and the Lynwood Redevelopment Agency .
Cash	06/30/2011	1,982,745	Reimbursement/return of funds loaned to the Lynwood Redevelopment Agency by the City of Lynwood	City Council Resolution # 2010.093 dated May 4, 2010 approving the transfer of funds from the City of Lynwood to the Lynwood Redevelopment Agency.
Cash	9/20/2011	65,000	* This pertains to a principal payment made under Cooperation Agreement	This transfer is supported by a Cooperation agreement dated September 7, 1999 for the purpose of providing financial assistance in the amount of \$1,300,000 in that the agency could carry out its Owner Participation Agreement with 3100 E. Imperial Hwy, LLC.
Cash	9/20/2011	35,100	* This pertains to interest payment made under Cooperation Agreement	This transfer is supported by a Cooperation agreement dated September 7, 1999 for the purpose of providing financial assistance in the amount of \$1,300,000 in that the agency could carry out its Owner Participation Agreement with 3100 E. Imperial Hwy, LLC.

\* The California Department of Finance disallowed this debt in a letter dated May 18, 2012. The City of Lynwood disagrees with the decision and has requested to meet and confer with the Department of Finance.

**Attachment B-1**  
**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Schedule of Assets Transferred to the City of Lynwood**  
**From January 1, 2011 through June 30, 2012**

January 1, 2011 through January 31, 2012 (Continued)

Asset Description	Date Transferred	Value/Carrying Amount	Legal Requirements/ Purpose	Comments
Cash	01/19/2012	\$ 406,180	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Lynwood Redevelopment Agency.	This transfer is supported by an administrative cost agreement dated April 17, 1984 between the City of Lynwood and the Lynwood Redevelopment Agency .
Cash	01/19/2012	30,892	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Lynwood Redevelopment Agency.	This transfer is supported by an administrative cost agreement dated April 17, 1984 between the City of Lynwood and the Lynwood Redevelopment Agency .
Cash	01/19/2012	230,009	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Lynwood Redevelopment Agency.	This transfer is supported by an administrative cost agreement dated April 17, 1984 between the City of Lynwood and the Lynwood Redevelopment Agency .
Cash	01/19/2012	18,491	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Lynwood Redevelopment Agency.	This transfer is supported by an administrative cost agreement dated April 17, 1984 between the City of Lynwood and the Lynwood Redevelopment Agency .
Cash	01/31/2012	31,326	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Lynwood Redevelopment Agency.	This transfer is supported by an administrative cost agreement dated April 17, 1984 between the City of Lynwood and the Lynwood Redevelopment Agency .
Cash	01/31/2012	18,376	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Lynwood Redevelopment Agency.	This transfer is supported by an administrative cost agreement dated April 17, 1984 between the City of Lynwood and the Lynwood Redevelopment Agency .



**Attachment B-1**

**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Schedule of Assets Transferred to the City of Lynwood**  
**From January 1, 2011 through June 30, 2012**

---

February 1, 2012 to June 30, 2012

<b>Asset Description</b>	<b>Date Transferred</b>	<b>Amount</b>	<b>Legal Requirements/ Purpose</b>	<b>Comments</b>	<b>Questionable Transfers</b>
Cash	04/03/2012	\$ 63,376	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Agency.	Amount for falls under the administrative cost cap of \$314,672 approved by the Department of Finance (DOF).	
Cash	04/17/2012	63,262	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Agency.	Amount for falls under the administrative cost cap of \$314,672 approved by the Department of Finance (DOF).	
Cash	06/12/2012	32,341	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Agency.	Amount for falls under the administrative cost cap of \$314,672 approved by the Department of Finance (DOF).	
Cash	06/30/2012	60,360	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Agency.	Amount for falls under the administrative cost cap of \$314,672 approved by the Department of Finance (DOF).	
Cash	04/03/2012	37,119	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Agency.	Amount for falls under the administrative cost cap of \$314,672 approved by the Department of Finance (DOF).	
Cash	04/17/2012	37,193	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Agency.	Amount for falls under the administrative cost cap of \$314,672 approved by the Department of Finance (DOF).	
Cash	06/12/2012	18,596	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Agency.	Amount for falls under the administrative cost cap of \$314,672 approved by the Department of Finance (DOF).	
Cash	06/30/2012	34,466	This represents reimbursement to the City of Lynwood for FY 2011-12 administrative costs paid by the City for the administration of the Agency.	Exceeds administrative cost cap approved by the DOF by \$32,040.	\$ 32,040

---

**Attachment B-2**

**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Schedule of Assets Transferred to Other Public Agencies or Private Parties**  
**From January 1, 2011 through June 30, 2012**

---

<u>Asset Description</u>	<u>Date Transferred</u>	<u>Value/Carrying Amount</u>	<u>Purpose</u>	<u>Legal requirement/Enforceable Obligation</u>
<b>January 1, 2011 through January 31, 2012</b>				
Cash	3/31/2011	\$ 664,714	Loan payment to Redmore, LLC	Tax Increment loan payoff
Cash	3/31/2011	333,000	Debt service payment for Series 1999 TAB Series B Bonds	1999 TAB Series B payment
Cash	3/31/2011	578,055	Debt service payment for Series 1999 TAB Series A Bonds	1999 TAB Series A payment
Cash	3/31/2011	75,392	Debt service payment for Series 1999 TAB- Alameda Project Area	1999 TAB Alameda Project Area payment
Cash	3/31/2011	596,448	Payment for bond issuance costs related for Series 2011 TAB Series A Bonds	2011 TAB Series A issuance costs
Cash	3/31/2011	278,875	Payment for bond issuance costs related for Series 2011 TAB Series B Bonds	2011 TAB Series B issuance costs
Cash	1/19/2012	306,713	Debt service payment to Housing and Urban Development (HUD)	HUD loan repayment
Cash	8/2/2011	296,000	Debt service payment for Series 1999 TAB Series B Bonds	1999 TAB Series B payment
Cash	8/2/2011	565,528	Debt service payment for Series 2011 TAB Series A Bonds	2011 TAB Series A payment
Cash	8/2/2011	240,984	Debt service payment for Series 2011 TAB Series A Bonds	2011 TAB Series A payment
Cash	8/2/2011	60,191	Debt service payment for Series 1999 TAB- Alameda Project Area	1999 TAB Alameda Project Area payment
Land	12/19/2011	638,505	Sale of Land to Fresh and Easy Property Company LLC	This was supported by Disposition and Development Agreement dated June 7, 2011 entered between the Lynwood Redevelopment Agency and Fresh and Easy Property Company, LLC.
Cash	1/31/2012	591,087	Debt service payment for Series 2011 TAB Series A Bonds	2011 TAB Series A payment
Cash	1/31/2012	253,080	Debt service payment for Series 1999 TAB Series A Bonds	1999 TAB Series A payment
Cash	1/31/2012	23,058	Debt service payment for Series 1999 TAB- Alameda Project Area	1999 TAB Alameda Project Area payment

**Attachment B-3**

**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Funds Combined**  
**Summary of Financial Transactions**

	Redevelopment Agency 12 Months Ended 6/30/2010 (Audited)	Redevelopment Agency 12 Months Ended 6/30/2011 (Audited)	Redevelopment Agency 7 Months Ended 1/31/2012 (Unaudited)	Successor Agency 5 Months Ended 6/30/2012 (Unaudited)
<b>Assets (modified accrual basis)</b>				
Cash and investments	\$ 4,664,301	\$ 12,095,376	6,310,569	7,918,669
Cash and investments with trustees	1,138,960	19,588,616	19,578,241	19,581,373
Restricted cash and investments	58,082	58,082	58,082	58,079
Receivables:				
Taxes	224,317	321,747	-	-
Accounts	5,589	11,156	5,062	6,062
Interest	2,222	2,503	-	-
Notes and loans	1,969,962	1,253,582	1,364,852	1,341,591
Land held for resale	7,436,181	8,602,336	8,602,336	1,998,601
Due from other funds	353,198	222,997	-	-
Due from the City of Lynwood	957,380	957,380	957,380	957,380
<b>Total Assets</b>	<b>\$ 16,810,192</b>	<b>\$ 43,113,775</b>	<b>\$ 36,876,522</b>	<b>\$ 31,861,755</b>
<b>Liabilities (modified accrual basis)</b>				
Accounts payable	\$ 1,722,327	\$ 2,772,492	2,027,721	1,798,616
Deposits	77,717	87,498	-	-
Deferred Revenue	1,969,962	1,311,664	1,352,936	1,329,671
Due to other funds	353,198	222,997	-	-
Due to other government	248	-	-	-
<b>Total Liabilities</b>	<b>\$ 4,123,452</b>	<b>\$ 4,394,651</b>	<b>\$ 3,380,657</b>	<b>\$ 3,128,287</b>
<b>Equity</b>	<b>12,686,740</b>	<b>38,719,124</b>	<b>33,495,865</b>	<b>28,733,468</b>
<b>Total Liabilities + Equity</b>	<b>\$ 16,810,192</b>	<b>\$ 43,113,775</b>	<b>\$ 36,876,522</b>	<b>\$ 31,861,755</b>
<b>Total Revenues:</b>	<b>\$ 6,928,482</b>	<b>\$ 8,212,798</b>	<b>\$ 3,017,260</b>	<b>\$ 2,632,214</b>
<b>Total Expenditures:</b>	<b>7,785,595</b>	<b>5,808,380</b>	<b>8,240,519</b>	<b>7,394,611</b>
<b>Total Transfers: In (Out)</b>	<b>-</b>	<b>23,627,966</b>	<b>-</b>	<b>-</b>
<b>Net change in equity</b>	<b>(857,113)</b>	<b>26,032,384</b>	<b>(5,223,259)</b>	<b>(4,762,397)</b>
<b>Beginning Equity:</b>	<b>13,543,853</b>	<b>12,686,740</b>	<b>38,719,124</b>	<b>33,495,865</b>
<b>Ending Equity:</b>	<b>\$ 12,686,740</b>	<b>\$ 38,719,124</b>	<b>\$ 33,495,865</b>	<b>\$ 28,733,468</b>
<b>Other Information (show year end balances for all three years presented):</b>				
Capital assets as of end of year	\$ 2,357,359	\$ 1,027,501	\$ 1,027,501	\$ 388,996
Long-term debt as of end of year	\$ 13,513,437	\$ 36,465,157	\$ 36,465,157	\$ 36,465,157

- (A) Financial information for fiscal years June 30, 2010 and June 30, 2011 was traced to the the Audited Financial Statements of the former Redevelopment Agency.
- (B) Financial information for the seven-month ended January 31, 2011 for the Redevelopment Agency was traced to the accounting records.
- (C) Financial information for the period covering February 1, 2012 through June 30, 2012 for the Successor Agency was traced to the accounting records.

**Attachment B-4**  
**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**List of Assets**  
**As of June 30, 2012**

---

<u>Asset Type</u>	<u>Amount</u>
Cash	\$ 7,167,133
Restricted cash	58,079
Cash with fiscal agent	19,581,373
Accounts receivable	6,062
Loans receivable	174,772
Land held for resale	1,082,893
Due from City of Lynwood	957,380
Total	\$ <u>29,027,692</u>

**Attachment B-5**

**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Calculation of Legally Restricted Balances- Unspent Bond Proceeds**  
**June 30, 2012**

---

Bond Proceeds - TAB 2011 Series A		\$ 18,480,000 *
Less: Payments **		
Bond Issuance Costs (3/31/2011)	\$ (596,448)	
Interest income	<u>11,585</u>	<u>(584,863)</u>
Unspent bond proceeds - June 30, 2012 - TAB 2011 Series A		<u>17,895,137</u>
Bond Proceeds - TAB Series 2011 B		5,660,000 *
Less: Payments **		
Bond Issuance Costs (3/31/2011)	(278,875)	
Project Costs (7/1/2011- 6/30/2012)	(3,000,000)	
Interest Income	<u>957</u>	<u>(3,277,918)</u>
Unspent bond proceeds - June 30, 2012 - TAB 2011 Series B		<u>2,382,082</u>
Total unspent bond proceeds		<u>\$ 20,277,219</u>

\* Traced and agreed amounts to bond official statements, without exception.

\*\* Traced amounts to general ledger postings.

The restriction on the above unspent bond proceeds are in effect until the funds are expended for their intended use.

The Series 2011 Series A and B bonds above were issued on March 7, 2011. The use of the bond proceeds for the intended purpose was disallowed by the Department of Finance in a letter dated May 18, 2012 as the bonds were issued after the deadline of December 31, 2010 as stated in Assembly Bill 1484. The City has requested to meet and confer with the Department of Finance in an effort to seek a waiver so that the proceeds can be used for their intended purpose.

**Attachment B-6**  
**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**List of Assets That Are Not Cash or Cash Equivalents**  
**As of June 30, 2012**

---

<u>Asset Type</u>		<u>Amount</u>
Accounts receivable	\$	6,062
Loans receivable		174,772
Land held for resale		1,082,892
Due from City of Lynwood		957,380
Total	\$	<u>2,221,106</u>

**Attachment B-7**

**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Calculation of Current Balances Needed to Satisfy Obligations on the ROPS**

---

ROPS III- Attachment in Excel

**Attachment B-8**  
**Successor Agency to the Dissolved Redevelopment Agency of the City of Lynwood**  
**All Other Funds**  
**Summary Of Balances Available For Allocation to Affected Taxing Entities**  
**As of June 30, 2012**

---

**SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES**

Total amount of assets held by the Successor Agency as of June 30, 2012 (procedure 5)	\$ 29,027,692
Add the amount of any assets transferred to the City or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	32,040
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6) - Attachment B-5- Unpsent Bond Proceeds	(20,277,219)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(2,221,106)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	(6,561,407)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	<u>-</u>
Amount to be remitted to county for disbursement to taxing entities	\$ <u>-</u>